

ASSEMBLY BILL

No. 1084

Introduced by Assembly Member Davis

February 18, 2011

An act to amend Section 985 of the Military and Veterans Code, relating to veterans.

LEGISLATIVE COUNSEL'S DIGEST

AB 1084, as introduced, Davis. Veterans' farm and home purchases: definitions: home.

Existing law provides for farm and home purchase benefits for qualifying veterans under the Veterans' Farm and Home Purchase Act of 1943, and subsequent acts, which are collectively referred to as the CalVet Home Loan program. Existing law defines "cooperative housing corporation" for purposes of this program to mean a real estate development in which membership in the corporation, by stock, is coupled with the exclusive right to possess a portion of the real property.

The bill would expand the definition of cooperative housing corporation to include a shared equity cooperative.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 985 of the Military and Veterans Code
- 2 is amended to read:
- 3 985. As used in this article:

1 (a) “Farm” means a tract of land, which, in the opinion of the
2 department, is capable of producing sufficiently to provide a living
3 for the purchaser and the purchaser’s dependents.

4 (b) “Home” means any of the following:

5 (1) A parcel of real estate upon which there is a dwelling house
6 or other buildings that will, in the opinion of the department, suit
7 the needs of the purchaser and the purchaser’s dependents as a
8 place of abode.

9 (2) Condominium, as defined in subdivision (h).

10 (3) Mobilehome, as defined in subdivision (k).

11 (4) Cooperative housing, as defined in subdivision (m).

12 (c) “Purchaser” means a veteran or any person who has entered
13 into a contract of purchase of a farm or home from the department.

14 (d) “Purchase price” means the price which the department pays
15 for any farm or home.

16 (e) “Selling price” means the price for which the department
17 sells any farm or home.

18 (f) “Initial payment” means the first payment to be made by a
19 purchaser to the department for a farm or home.

20 (g) “Progress payment plan” means payment by the department
21 for improvements on real property in installments as work
22 progresses.

23 (h) “Condominium” means an estate in real property consisting
24 of an undivided interest in common in a portion of a parcel of real
25 property together with a separate interest in space in a residential
26 building on the real property, such as an apartment, which, in the
27 opinion of the department, suits the needs of the purchaser and the
28 purchaser’s dependents as a place of abode. A condominium may
29 include, in addition, a separate interest in other portions of the real
30 property.

31 (i) “Effective rate of interest” means the average interest rate
32 of the interest on the unpaid balance due on a participation contract
33 to which the interest of the department is subject and the interest
34 rate on the unpaid balance of the purchase price, as determined by
35 the department.

36 (j) “Participation contract” means an obligation secured by a
37 deed of trust or mortgage, or other security interest established
38 pursuant to regulations of the department.

39 (k) “Mobilehome” means either a parcel of real estate, or an
40 undivided interest in common in a portion of a parcel of real

1 property, on which is situated a mobilehome that will, in the
2 opinion of the department, suit the needs of the purchaser and the
3 purchaser's dependents as a place of abode and meets all
4 requirements of local governmental jurisdictions.

5 (l) "Immediate family" means the spouse of a purchaser, the
6 natural or adopted dependent children of the purchaser, and the
7 parents of the purchaser if they are dependent on the purchaser for
8 50 percent or more of their support.

9 (m) "Cooperative housing corporation" means *both of the*
10 *following*:—a

11 (1) A real estate development in which membership in the
12 corporation, by stock ownership, is coupled with the exclusive
13 right to possess a portion of the real property.

14 (2) A *shared equity cooperative*.